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17 July 1961

MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT: Price Overrun on Pratt & Whitney
Engines, Contract No. TT-1002

The present contract with Pratt & Whitney calls for 30 engines at a stated price. Since this is a fixed-price contract, the per unit price cannot be adjusted unless there is new consideration which can be the basis for renegotiation. I understand that there is a firm requirement for 10 additional engines not called for in the present contract, and it is proposed that a new agreement be reached with Pratt & Whitney. This new requirement is an adequate new consideration for renegotiation of the over-all price for 40 units. Consequently, there is no legal objection to amending Contract No. TT-1002 to provide for the procurement of 40 engines at a negotiated price deemed to be in the best interest of the Government.

signed 1A

General Counsel

OGC:LRH:jeb
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Note on routing slip to DD/P

"The attached should be sufficient to support the renegotiation of the Pratt & Whitney contract. The discussion in my earlier memorandum may still be needed at some time if we are questioned on this but is not needed for the immediate action. Therefore, you can either destroy the earlier memorandum or keep it for possible future needs. [REDACTED]"

DOCUMENT NO. 100
NO CHANGE IN CLASS.

1) DECLASSIFIED

CLASS. CHANGED TO TS S C

NEXT REVIEW DATE:

AUTH: HR 70-2

DATE: 0966rv REVIEWER: 010006

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